

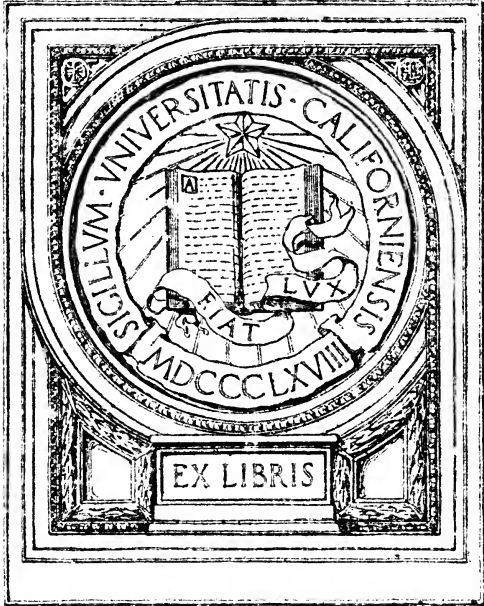
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FOREIGN LEGISLATION ON THE MERCHANT MARINE

LETTER

BEFORE THE

COMMITTEE ON COMMERCE
UNITED STATES SENATE

SIXTY-THIRD CONGRESS

THIRD SESSION

TRANSMITTING

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N. J. M. 11/16

LETTER OF SUBMITTAL.

LIBRARY OF CONGRESS,
Washington, January 14, 1915.

DEAR SENATOR FLETCHER: You will remember that at the conference which Dr. Putnam and I had with you a few days ago we told you of the material which the Legislative Reference Division has been getting together relating to foreign legislation on the merchant marine, and particularly the Russian enterprises involving Government ownership or control.

As you indicated that the latter might be of interest to the Senate Committee on Commerce, I have reshaped this part of the material so that it may be printed as a committee document, if you so desire.

By direction of the Librarian, I inclose a copy of this compilation herewith.

Very truly, yours,

DAVID THOMPSON,
In Charge Legislative Reference Division.

HON. DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.

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GOVERNMENT OWNERSHIP OR CONTROL
OF MERCHANT SHIPPING
IN RUSSIA

- I. ARKHANGELSK-MURMAN STEAM NAVIGATION CO.
II. RUSSIAN-DANUBE STEAMSHIP NAVIGATION
III. VOLUNTEER FLEET

COMPILED BY

J. G. OHSOL

Research Assistant, Legislative Reference Division

I.

THE ARKHANGELSK-MURMAN STEAM NAVIGATION CO.

1. Organization of the White Sea-Murman Co. in 1870.
 - a. Annual subvention.
 - b. Failure of the company in 1875.
2. Organization of the Arkhangelsk-Murman Co. in 1875.
 - a. Replaced the White Sea Co.
 - b. Increased subvention.
3. Reorganization in 1895.
 - a. Increased capital stock.
 - b. Government subscribes to more than one-half.
 - c. Increased subvention.
 - d. Additional Government control.
 - e. Dividends.
4. Steamers of the company, January, 1914.

The White Sea-Murman Steam Navigation Co. was organized in 1870 with an annual subsidy of 30,000 rubles for 12 trips between Arkhangelsk and points on the Murman shore. This company failed in 1875 and was replaced by the Arkhangelsk-Murman Steam Navigation Co. with an annual subvention of 50,000 rubles. In 1880 two additional trips were required and the annual subvention was increased by 5,000 rubles.

The agreement with the Government in 1885 left the annual subvention at 55,000 rubles for 10 years. The amended charter of May 15, 1895, increased the capitalization, the number of voyages required, and the number of vessels and brought the company under close Government control. The Government subscribed for about 56 per cent of the capital stock, viz, to the amount of 620,000 rubles out of a total of 1,112,800 rubles. The annual subvention was increased to 80,000 rubles for 20 years, i. e., up to 1915. The dividend rate was fixed at 5 per cent on all stock whether owned by the State or by private individuals. From the surplus profits, if sufficient, 1 per cent of additional dividend is to be paid to the private shareholders, and of the balance 25 per cent is to be distributed in bonuses to the management and to the employees of the company, 37½ per cent is to be added to the insurance fund, and 37½ per cent is to be used for the diminution of the Government subsidy.

The steamers of the Arkhangelsk-Murman Steamship Navigation Co., January, 1914.

No.	Name.	When built.	Tonnage.		Horse-power.
			Gross.	Net.	
1	Vaigatch.....	1911	1,043	609	1,100
2	Velikaia Kniazinia Ksenia.....	1895	805	479	850
3	Velikii Kniaz Vladimir.....	1871	332	202	375
4	Imperator Nikolai II.....	1896	1,211	640	1,262
5	Kandalaksha.....	1896	211	84	285
6	Keret.....	1910	840	471	825
7	Kildin.....	1908	1,639	998	850
8	Kola.....	1896	211	84	285
9	Koroleva Olga Konstantinovna.....	1896	811	480	850
10	Lomonosov.....	1891	914	479	900
11	Mikhail Kazi.....	1869	595	350	450
12	Onega.....	1874	98	56	100
13	Petshora.....	1901	688	422	416
14	Prepodobnii Trifon.....	1896	230	153	300
15	Sergei Vitte.....	1898	720	413	550
16	Fedor Tschizhov.....	1902	832	465	640
	Total.....		11,187	6,392	10,038

NOTE.—all vessels of this company are registered at the port of Arkhangelsk.
 Source: Russia. *Ministerstvo Torgovli i Promyshlennosti. Otdel Torgovno Moreplavania. Marine marchande russe. Répertoire des bâtiments au 1er janvier 1914. St. Petersburg (Petrograd), 1914, p. 246.*
 HE565.R9A44.

II.

RUSSIAN DANUBE STEAMSHIP NAVIGATION.

(RUSSKO-DUNAISKOIE PAROKHODSTVO.)

- Establishment of Prince Gagarin Line in 1881.
 - Mileage bounties.
 - Additional line established.
- Reorganization as Black-Sea-Danube Steamship Navigation Co. in 1886.
 - Extension of service.
 - Increase of government subsidy.
 - Increase of capitalization.
 - Deficits and contraction of the service.
 - Further increase of capitalization and continued deficit.
 - Revaluation and reduction of capitalization.
- Purchase by the government and Russian-Danube Steamship Navigation established.
 - Resolution of the Imperial Council.
 - Charter and by-laws.
- Steamers of the fleet, January, 1914;

The Prince Gagarin Line, established in 1881, was to maintain steamship communication between Odessa and Izmail for five years, receiving a mileage bounty of 1.50 rubles per mile. Two years later a new line between Odessa and Sistovo was added, with a mileage bounty of 1.95 rubles per mile. The total subvention for the two lines amounted to 58,270 rubles per annum.

In 1886 this enterprise became the Black Sea-Danube Steamship Navigation Co., a joint-stock corporation, with a capitalization of 655,000 rubles. The service was further extended in 1888 to include regular freight and passenger communication between Sistovo and Kladovo and on the River Prut between Reni and Niemtzena, as well as a tug line for the transportation of kerosene between Reni and Sistovo. At the same time the annual subvention was fixed at 121,351 rubles, and the capitalization was increased to 1,200,000 rubles.

Despite the continuous increase in the tonnage carried, the accounts showed heavy deficits from this time. In 1891 the service on the Prut, being unremunerative, was discontinued, and the two services on the Danube were combined into one. The amount of the subvention was fixed at 112,951 rubles per annum, and the capitalization was increased to 2,200,000 rubles. The annual deficit, however, continued to be heavy, reaching 152,150 rubles in the year 1892.

The Imperial Commission on the Merchant Marine, which published its historical survey¹ in 1895, attributes this condition to the rate policy of the competing Austrian line on the Danube; but it also shows that a revaluation of the property of the company in 1893 indicated that the capitalization was excessive and led to its reduction to 1,637,550 rubles. This was, however, increased to 1,793,100 rubles the following year. From 1892 the amount of the annual subvention was 225,820 rubles.

In 1903 the company went into liquidation and its property was purchased by the Government. The following is a translation of the full text of the statute establishing the Russian-Danube Steamship Navigation, which provided for the acquisition of this property and also for the purchase of additional new vessels:

Laws 1903, ch. 734.

[Translated from *Sobranie Uzakonenii*, Pt. I, no. 67, p. 1469, June 27, 1903.]

H. I. H. has approved the resolution of the joint assembly of the Imperial Council relating to the establishment of the Russian-Danube Steamship Navigation and has ordered the same to be put in force.

(Signed)

THE PRESIDENT OF THE
IMPERIAL COUNCIL, MIKHAIL.

JUNE 10, 1903.

1. THE RESOLUTION OF THE IMPERIAL COUNCIL.

The Imperial Council in its joint departments of industry, sciences and commerce, laws and State economy, and at its general meeting after having considered the proposition of H. I. H., the chief of the merchant marine and ports, in regard to the establishment of the Russian-Danube Steamship Navigation, has resolved:

SEC. 1. That the charter of the Russian-Danube Steamship Navigation be submitted for H. I. M.'s approval.

SEC. 2. That the chief of the merchant marine and ports be empowered (1) to make an agreement with the Liquidation Commission of the Black Sea-Danube Steamship Navigation Company in regard to the acquisition of all property of the said company at its actual value at the time of transfer to Government management, and (2) to petition by the budget procedure for an appropriation for the year 1904 to settle with the private shareholders of the Black Sea-Danube Steamship Navigation Company on the basis indicated above, provided, however, that they shall be allowed interest at the rate of 4 per cent per annum over and above the amount due to them for the

¹ Russia. *Kommissiia po voprosu o mierakh k pooshchreniiu russkago torgovogo morekhodstva i sudostroeniia*. Istoricheskiiu bzor pravitel'stvennykh mieropriiatiiu dia razvitiia russkago torgovogo morekhodstva. St. Petersburg, V. Kirshbaum, 1895. 359. 47 p.

property to be acquired by the Government, such interest to be reckoned from the date of transfer up to the date of actual payment.

SEC. 3. That there be granted from the State treasury to the Russian-Danube Steamship Navigation Company for the purchase of new ships and other property, 1,000,000 rubles, viz, 800,000 rubles in 1904, and 200,000 rubles in 1905.

SEC. 4. That there be granted from the State treasury to the Russian-Danube Steamship Navigation Company a subvention of 313,180 rubles annually for ten years, from 1904 to 1913, inclusive. That for the current year the fourth department of the special conference,¹ created by law approved March 22, 1903, be authorized to expend this amount for the same purpose.

The original opinion has been signed in the journals by the chairman and the members.

On the original, by the hand of H. I. M., has been written "It shall be thus."

Peterhof, June 10, 1903.

2. CHARTER OF THE RUSSIAN DANUBE STEAMSHIP NAVIGATION.

A. *The Rights and Duties of the Steamship Navigation.*

§ 1. The Russian-Danube Steamship Navigation has for its purpose the maintenance of communication between Odessa and Reni, and also on the river Danube, and its tributary, the Prut.

§ 2. All operations of the Steamship Navigation are to be carried on upon a commercial basis.

§ 3. The Steamship Navigation is authorized, in compliance with the existing laws, ordinances, and rights of private persons, and after having received, if necessary, the permission of the proper authorities, to acquire as its own property steamships and vessels of any kind, as well as to construct and to lease buildings, docks, dry-docks, shipyards, steamships, and other vessels, piers, mechanical appliances for the loading and unloading of goods, factories, and coal mines, and also to lease necessary lands.

§ 4. During the navigation season the Russian-Danube Steamship Navigation shall maintain—

(1) A mail-freight-passenger service three times a week from Odessa to Vilkovo, Kilia, Izmail, Reni via the Kilisk branch of the Danube delta, and return, calling at each of these ports.

(2) A tug freight service twice a week from Odessa to Vilkova, Kilia, Izmail, and Reni, and return, calling at each of these ports.

NOTE.—In case the Kilisk branch is not navigable, the trips on the Odessa-Reni line shall be maintained via the Sulinsk branch of the Danube.

(3) A daily service between Reni, Galatz, Isaktscha, Tultscha, and Izmail.

(4) A tug freight service twice a week from Reni to Galatz, Brailow, Girsova, Tschernavodi, Silistria, Olenitza, Turtukai, Zhurzhevo, Rushtschuk, Sistova, Ziminitza, Turn-Magurelli, Nikopol, Samovit, Korabia, Beket, Rakhovo, Lom-Palanka, Viddin, Kalafat, Gruia, Raduievatz, Turn-Severin, and Kladovo, and back from Kladovo to Reni, calling at the same ports.

¹ The special conference was created for the purpose of devising ways and means for the development of the merchant marine.

(5) A freight service on the River Prut.

In addition to this, the Steamship Navigation is authorized to maintain a passenger service between Batum and Galatz, calling at Rize and Trapezond, and return.

NOTE 1.—The chief of the merchant marine and ports is authorized to change the ports to be called at by the vessels enumerated in this (4th) section.

NOTE 2.—Independently of the lines mentioned in this present section, the Russian-Danube Steamship Navigation may obtain also other lines within the limits indicated in § 1 of this present charter.

§ 5. The steamship navigation shall comply with the existing regulations in regard to the navigation of the Danube and the Prut.

§ 6. The schedule of the freight-passenger service enumerated in § 4 indicating the time of arrival at the intermediate points and time of departure from them shall be made up by the management of the Russian-Danube Steamship Navigation for each year and shall be approved by the chief of the merchant marine and ports. The schedule of the mail-freight-passenger trips shall be approved by the chief of the merchant marine and ports after consultation with the minister of the interior. The approved schedule is to be published for the information of the public.

NOTE.—The opinion of the minister of the interior relating to the proposed trips is to be communicated to the chief of the merchant marine and ports within a month. In case no opinion is rendered within this time, this shall be regarded as acquiescence to the proposed schedule.

§ 7. The Russian-Danube Steamship Navigation shall carry on its regular trips messengers, field scouts, mail and mail clerks, and officers of the postal telegraph department free of charge, and it shall have the right to hoist the Russian mail flag on its vessels.

§ 8. The mail-freight, with the concurrence of the postal telegraph department, shall be transported in the holds of the steamships and in cabins specially adapted for this purpose, and shall be carefully guarded by the officers and crew. The responsibility for the safety of the mail-freight shall be determined by the regulations issued for this purpose for the railroads.

§ 9. The officers of the war and navy departments transported in companies by order of the military commanders shall be carried with their hand baggage at half rates. Similar rebate shall be allowed to Government freight, to the packages of the commissary of the army, of the engineer corps, and of the artillery, and to all supplies of the war and navy departments.

§ 10. To insure speedy embarkation and landing of passengers, as well as loading and unloading of freight, the Russian-Danube Steamship Navigation shall have convenient piers at the landing places of its steamships.

§ 11. The order and conditions of receipt, storage, transfer and delivery of freight, as well as the responsibility to the shippers for its safety shall be determined by regulations approved by the chief of the merchant marine and ports, with the concurrence of the ministers of finance and communications.

§ 12. The owner of any freight received for transportation may, with the consent of the steamship navigation, order the steamship navigation to sell on commission a part or the whole of his freight at auction, or at fixed price. The order of such sales, as well as the commission rates, shall be determined by the management of the

steamship navigation. The steamship navigation may also undertake, at the order of the shipper, the clearance of his freight from customs duties.

§ 13. The steamship navigation may issue short-time loans from its operating capital on the security of goods received by it for transportation, provided such goods are insured and are not perishable. Such loans shall be issued for the period the goods are in transit or in the warehouses of the steamship navigation, to the amount not exceeding 60 per cent of their value, such value to be determined according to the prices at the nearest market. The terms of such loans shall be indicated on the papers issued on receipt of the goods for transportation.

§ 14. The steamship navigation may carry on commission loan business in the export grain trade on account of its operating capital in compliance with existing regulations.

§ 15. The loans indicated in §§ 13-14 may be issued by the steamship navigation only upon goods of Russian origin received by it for transportation to Russian ports. The details of the issuance and repayment of such loans shall be determined by special regulations approved by the chief of the merchant marine and ports, with the concurrence of the minister of finance and the State auditor.

§ 16. The steamship navigation is authorized to insure the cargoes and freight carried on its vessels in insurance companies, but only at the risk of the latter.

§ 17. The management of the Russian-Danube Steamship Navigation shall have a special seal, according to a design approved by the chief of the merchant marine and ports.

B. The resources of the steamship navigation.

§ 18. The resources of the Russian-Danube Steamship Navigation shall consist of—

- (1) The grant from the State treasury for initial equipment.
- (2) The income received from commercial operations.
- (3) An annual subvention from the State treasury.

§ 19. The annual subvention from the State treasury to the Russian-Danube Steamship Navigation shall from time to time, on the recommendation of the chief of the merchant marine and ports, be fixed for a definite period at a definite amount in proportion to the obligations imposed upon the Steamship Navigation during such period.

§ 20. The annual subvention from the State treasury shall be paid to the Steamship Navigation in the month of January for the whole of the ensuing year.

C. The management of the steamship navigation.

§ 21. The Russian-Danube Steamship Navigation shall be under the bureau of merchant marine, department of the merchant marine and ports.

§ 22. The management of the steamship navigation shall be entrusted to a board. The domicile of the board shall be determined by the chief of the merchant marine and ports who shall submit his ruling on that subject to the governing senate for publication.

§ 23. The board of the steamship navigation consists of the chairman, two members, and the representative of the State auditor's office; the latter without a vote.

§ 24. In passing upon business relating to other departments than the department of merchant marine and ports, the representatives of such departments shall be invited to the meetings of the board and have the right to vote.

§ 25. The enumeration of matters subject to the consideration of the board, and requiring the attendance of the representatives of other departments, shall be determined by the chief of the merchant marine and ports with the concurrence of the respective departments.

§ 26. The chairman and members of the board shall be appointed by the chief of the merchant marine and ports and the representative of the State auditor's office by the State auditor.

§ 27. The immediate supervision over the affairs of the Russian-Danube Steamship Navigation and the carrying out of all decisions of the management shall be entrusted to the manager of the steamship navigation, to be appointed by the board, and his residence shall be in the city of Odessa. The manager of the steamship navigation shall be in charge of the head office and of the affairs of the steamship navigation within the limits of approved budgets, plans of action, and instructions. The manager, in case of necessity, shall be invited to take part in the meetings of the board with a voice, but with no vote.

§ 28. In case of sickness or temporary absence of the chairman of the board, the duties shall be performed by one of the members of the board designated by the chief of the merchant marine and ports.

NOTE.—In case one of the members of the board becomes acting chairman, the chief of the merchant marine and ports shall appoint a temporary substitute for such member. In a similar way a temporary substitute of a member of the board shall be appointed in case of absence or sickness of one of them.

§ 29. The board shall meet as occasion may require, but in any case at least once a week. The chairman or his substitute and two members shall constitute a quorum. The proceedings at the board meetings shall be recorded and signed by all present at the meetings and by the representative of the State auditor's office.

§ 30. The decisions of the board shall be taken by majority vote; in case of a tie the chairman shall have a casting vote.

§ 31. For their services in the management of the Russian-Danube Steamship Navigation, the chairman, the members of the board as well as the representative of the State auditor's office, shall receive special remuneration from the funds of the Steamship Navigation—the first-named, 6,000 roubles per annum, and the others 3,000 roubles per annum each. In case the persons named shall be in the classified State service at a fixed salary, then, in addition to that salary, the chairman shall receive 3,000 roubles and the members of the board and the representative of the State auditor's office 1,500 roubles per annum each.

The manager of the Steamship Navigation shall receive from the same funds an annual salary of 8,000 roubles.

§ 32. There shall be an accounting and bookkeeping department at the head office for the transaction of business, for the keeping of money and other accounts, and for auditing the same in the head office, in the agencies, and on board of the vessels. The personnel

of this office shall be appointed and discharged by the chairman of the board, and shall be under his immediate supervision.

§ 33. The board shall handle all matters, property, and funds of the Russian-Danube Steamship Navigation, make out the tariffs and the annual plans of action, annual budgets and accounts, and it shall have supervision over the transactions of the manager, over the employees and agents, and generally over all affairs of the Steamship Navigation.

§ 34. All correspondence relating to the business of the Steamship Navigation shall be carried on in the name of the board. Powers, agreements, terms of sales and purchase, deeds and other acts shall be made in the name of the board, and shall be signed by the chairman and one of the members.

§ 35. Money and property transactions of the Russian-Danube Steamship Navigation, as well as its accounts, shall be subject to auditing by the State auditor's office in accordance with special regulations to be issued by the State auditor with the concurrence of the chief of the merchant marine and ports.

§ 36. The State auditor's office shall have the right to examine at any time the funds and the property of the steamship navigation.

§ 37. The fiscal year of the Russian-Danube Steamship Navigation shall begin on January 1st. For each year the board shall prepare, not later than the following March, an annual report on the operations of the steamship navigation and an account of its transactions to be submitted for the approval of the chief of the merchant marine and ports.

Not later than November of each year the board shall submit for the approval of the chief of the merchant marine and ports a budget and a plan of action for the following year.

§ 38. After the approval of the annual report (§ 37) from the net income, *i. e.*, from the balance, if any, after payment of all expenses and losses, there shall be set aside:

(a) For the sinking fund—

Not less than 10 per cent of the initial value of worn-out ships and piers, 5 per cent of the value of the iron ships and machinery, 3 per cent of the value of the stone structures, and 1 per cent of the value of other movable property up to the time of the full extinction of these values.

(b) For the insurance fund, not less than 3 per cent of the initial value of the steamships and barges.

The amount remaining shall represent the net profit, from which not more than 30 per cent shall be reserved for additional remuneration of the board and of the employees of the steamship navigation, such remuneration not to exceed 50 per cent of their annual salaries; 20 per cent of this net profit shall be paid into the loan aid fund of the employees, and the rest shall go to the reserve fund. The regulations as to the order of expending the apportionments to be made for the sinking fund of the inventory and as to the insurance of the property shall be approved by the chief of the merchant marine and ports, with the concurrence of the minister of finance and the State auditor.

§ 39. The apportionments to the insurance fund shall be stopped when its total sum shall reach one-third of the initial value of all vessels of the steamship navigation. But in case of expending a

part of this latter fund for the purchase of a new vessel to replace one which has been lost, or in case of averages, this fund shall again be increased to the amount indicated above by means of the specified apportionments from the profits of the steamship navigation.

§ 40. The insurance fund shall be used for the purchase of new vessels to replace those which are lost and for covering expenditures on averages resulting from collisions.

§ 41. The reserve fund shall be used for the expansion of the business and for meeting unforeseen expenses. Expenditures from the reserve fund shall not be made except by permission of the chief of the merchant marine and ports with the concurrence of the minister of finance and of the State auditor.

(Signed)

THE PRESIDENT OF THE
IMPERIAL COUNCIL, MIKHAIL.

The steamers of the Russian-Danube Steamship Navigation January, 1914.

No.	Name.	When built.	Tonnage.		Horse-power.
			Gross.	Net.	
1	Bessarabetz.....	1891	286	125	600
2	Bolgaria.....	1886	617	358	450
3	Belgrad.....	1896	272	97	550
4	Velikii Kniaz Alexandr Mikhallovich.....	1907	1,481	566	3,000
5	Vilkovo.....	1900	171	5	450
6	Graf Ignatiev.....	1889	205	22	450
7	Moriak.....	1904	1,216	719	750
8	Patriot.....	1892	77	27	160
9	Prut.....	1906	48	13	150
10	Rumynia.....	1889	180	55	450
11	Russ.....	1907	1,078	618	1,260
12	Sv. Sergii.....	1899	268	107	550
13	Serbia.....	1869	142	42	350
14	Shevtschenko.....	1888	144	17	220
Total.....			6,334	2,776	9,390

NOTE.—Vessels Nos. 1, 3, 5, 8, 9, 10, 12, 13, and 14 are registered at the port of Reni. Vessels Nos. 2, 4, 6, 7, and 11 are registered at the port of Odessa.

Source: RUSSIA. *Ministerstvo Torgovli i Promyshlennosti. Otdel Torgovavo Moreplavania. Marine marchande russe. Répertoire des bâtiments au 1^{er} janvier 1914. St. Petersburg (Petrograd), 1914. p. 247.*

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III.

THE VOLUNTEER FLEET.

1. Special committee to collect donations for building fleet.
 - a. Vessels to be used in commerce and as auxiliary cruisers.
 - b. Excluded from navy but used as transports for troops.
 - c. After Russo-Turkish War, services to Pacific ports.
2. Volunteer Fleet Company organized in 1879.
3. Company dissolved; fleet placed under navy department committee in 1883.
4. Government regulations of 1886, 1892, 1902, 1908.
 - a. Number of voyages prescribed.
 - b. Mileage bounties.
5. Law of 1911.
 - a. Additional services established.
 - b. Annual subvention.
 - c. New steamships to be built in Russian shipyards.
 - d. Government loan without interest.
 - e. Bounties to Russian shipyards.

6. Text of new charter and by-laws of 1912.
 - a. General provisions.
 - b. Obligations and rights.
 - c. Operations.
 - d. Auditing of operations.
 - e. Accounts and distribution of profits.
 - f. Management of the fleet.
 1. Council.
 2. Board of directors.
 3. Managing director.
 - g. Personnel.
7. Steamers of the volunteer fleet January, 1914.
8. Recent proposed legislation.

1878.—On April 11, 1878, a special committee under the chairmanship of the crown prince was created for the collection of donations for the building of the volunteer fleet, whose vessels were to be used both for commercial navigation and as auxiliary cruisers. In 1878 four armed transports, with a total tonnage of 3,200, and having a speed of from 13 to 14½ knots per hour, were equipped. After the Berlin treaty of 1878 these transports were excluded from the navy rolls and were used for the transportation of troops between the gulfs of the Black Sea. After the end of the campaign they were pressed into commercial service and began trips to the ports of the Pacific.

1879.—On May 9, 1879, the Volunteer Fleet Co. was organized in place of the special committee on donations, etc., which had been abolished. Among the ex officio members of this new company were the presidents of the St. Petersburg and Moscow provincial and district Zemstvo executive boards, the chairmen of the St. Petersburg and Moscow Stock Exchanges, the mayors of St. Petersburg and Moscow, and the elders of the merchant, burgher, and artisan corporations of both capitals.

1883.—In 1883 the Volunteer Fleet Co. was abolished and its affairs were placed under the charge of the minister for the navy. At the same time there was organized a special committee on ways and means for establishing regular service between the ports of the Pacific by the vessels of the volunteer fleet. Two propositions were advanced among the members of that committee: One was to transfer all affairs of the volunteer fleet to a private company; the other to enroll all ships of the volunteer fleet into the navy. Both propositions were, however, defeated and the volunteer fleet was placed under a special committee, organized at the navy department, consisting of representatives of the navy, of the ministry of finance, and of the state auditor's office.

1886.—The statute on the volunteer fleet of February 24, 1886, provided for seven voyages annually, four trips between Odessa and Vladivostok via Hankow, touching at Constantinople, Port Said, Aden, Singapore, and Nagasaki; two trips between Odessa and Post Due, on the island Sakhalin, and return through the same ports and touching at Post Korsakov; one trip between Odessa and Vladivostok and return via Hongkong; in all, a distance of 141,000 miles. The mileage bounty was placed at 4.25 rubles per mile, not exceeding 599,250 rubles per annum, for a period of six years. The volunteer fleet had in 1886 seven steamships worth over \$2,000,000.

1892.—The decree of January 6, 1892, continued the annual subsidy of 600,000 rubles, or 4.25 rubles per mile for 10 years.

1902.—The law of Feb. 4, 1902, confirming the new statute of the volunteer fleet, carried an annual subvention of 600,000 rubles for ten years and placed the volunteer fleet completely under Government control.

The full text of the statute is translated in: *Gt. Brit. Parliament. House of Commons. Report of the Select Committee on Steamship Subsidies. London, 1902. (165.) p. 259-260. Appendix No. 28.*

1908.—The law of June 15, 1908, relating to an agreement with the volunteer fleet on the steamship services in the Far East (*Sobranie Uzakonenii*, pt. I, No. 117, August 8, 1908, p. 1803), established for eleven years beginning June 15, 1908, the following:

(1) Vladivostok-Tsuruga, twice a week, 101,820 miles per year.

(2) Vladivostok-Shanghai, *via* Fasan and Nagasaki, once a week, 118,560 miles per year.

The speed was to be not less than 14 miles an hour. The subventions for these 2 services for the years from 1908 to 1919 were fixed as follows:

	Rubles.
1908.....	283, 333
1909.....	800, 000
1910.....	693, 000
1911.....	672, 000
1912.....	651, 000
1913.....	630, 000
1914.....	609, 000
1915.....	588, 000
1916.....	567, 000
1917.....	546, 000
1918.....	525, 000
1919.....	340, 667

Also 14 voyages between Vladivostok and Nikolaievsk during the period from June 15, 1908, to June 15, 1909, were provided for by a subvention of 75,000 roubles.

1911.—The law of March 29, 1911, relating to the steamship service between Vladivostok and the ports on the Okhotsk and Bering Seas and the ports along the Tartar Straits (*Sobranie Uzakonenii*, pt. I, No. 67, April 15, 1911, p. 885) empowered the Minister of Commerce and Manufactures to assign to the Volunteer Fleet the establishment of the following regular steamship services:

(1) Between Vladivostok and the ports of the Okhotsk and Bering seas, covering 55,000 miles per annum and using four steamships.

(2) In the Tartar Straits (a) between Vladivostok and Nikolaievsk on the Amur River, 12 voyages during the navigation season, and (b) between Vladivostok and Post Alexandrovsk, 4 voyages during the navigation season, using two steamships.

The speed of the vessels was to be not less than 10 knots an hour. The subvention for the above services was fixed at 331,000 roubles for 1912; for the following years the amount was to be determined by the general budget procedure.

In addition, the volunteer fleet was required (§ 5) to place orders with Russian shipyards for six new steamships, each with a freight capacity of not less than 82,000 cubic feet and drawing not more than 15 feet of water when loaded, and also having accommodation for not less than 10 first-class, 30 second-class, and 300 steerage pas-

sengers. To enable this shipbuilding program to be carried out, the following financial clauses are included in the law:

§ 7. The State treasury shall advance to the volunteer fleet, for the purchase of the six new steamships mentioned in § 5, a loan of 3,060,000 rubles without interest charge, viz: In 1912, 1,530,000 rubles, and in 1913, 1,530,000 rubles; upon the condition that this loan shall be repaid during 20 years, beginning with the year 1914, by equal annual installments.

§ 8. The State treasury shall place at the disposal of the minister of commerce and manufactures the sum of 1,800,000 rubles, for shipbuilding bounties to shipyards, which shall be charged with the building of the six steamships mentioned in § 5, viz: In 1912, 900,000 rubles, and in 1913, 900,000 rubles.

1912.—A new charter and by-laws of the volunteer fleet went into force July 5, 1913, by law approved by the Imperial Council and the Duma. A translation of the full text follows:

Laws 1912, ch. 1350.

[Translated from *Sobranie Uzakonenii*, pt. I, no. 152, p. 2845, July 18, 1912.]

§ 1. The statute on the volunteer fleet appended hereto shall be approved.

§ 2. Section 5 of article 372 of the statute on direct taxation (*Svod Zakonov*, vol. 5, edition of 1903) shall read as follows:

Article 372: § 5. Not subject to the State tax on manufactures: (5) The volunteer fleet.

“(Signed) THE PRESIDENT OF THE
IMPERIAL COUNCIL, M. AKIMOV.”

On the original, by the hand of H. I. M., is signed, “It shall be thus.”

On the yacht *Standard*, July 5, 1912.

Certified: Secretary of State, Kryzhanovski.

CHARTER AND BY-LAWS OF THE VOLUNTEER FLEET.

I. General Provisions.

§ 1. The volunteer fleet is an enterprise founded upon contributions and has for its purpose the maintenance of maritime steamship communications for the transportation of passengers and freight in order to help the development of Russian commerce and merchant marine.

§ 2. The volunteer fleet shall be under the supervision of the minister of commerce and manufactures.

§ 3. The operations of the Volunteer Fleet shall be conducted on a business basis. For all bills and demands made upon it the volunteer fleet shall be liable with all its property, both movable and immovable.

§ 4. In proportion to the obligations imposed upon the volunteer fleet by the Government, the Fleet may receive subventions from the State treasury, such subventions to be applied for and appropriated by legislative procedure for a definite period in a definite amount.

- § 5. The assets of the volunteer fleet shall consist of—
(a) Sums obtained from the former Volunteer Fleet Company;
(b) Donations;
(c) Income from commercial operations;
(d) The subvention paid by the State treasury.
- § 6. The volunteer fleet shall have a special flag.

II. *Obligations of the volunteer fleet toward the Government and rights of the fleet.*

§ 7. In case of a partial or general mobilization, as well as in other emergency, every vessel and any property on shore belonging to the volunteer fleet shall be transferred, by the order of the minister of commerce and manufactures, for the temporary use or into full possession of the war and navy departments. The conditions of transfer of the vessels and of the property on shore shall be determined by the minister of commerce and manufactures with the concurrence of the ministers of war and of the navy, and also of the minister of finance and of the State auditor.

NOTE.—Upon the publication of the regulations on the military navigation service the property of the volunteer fleet and its personnel shall serve the needs of the war and navy departments according to the above-named regulations.

§ 8. Government employees traveling on duty, military persons, emigrants, and passengers generally transferred by orders of the Government as well as Government cargoes and mails, shall be carried on all lines maintained by the volunteer fleet according to rules determined by special agreements made between the management of the volunteer fleet and the respective departments, subject to the approval of the minister of commerce and manufactures.

§ 9. In case of equal bids for the transportation of soldiers and State cargoes of the Government departments, the volunteer fleet shall have preference over all other navigation enterprises.

III. *Operations of the volunteer fleet.*

§ 10. For the organization of maritime steamship communication (§ 1) the volunteer fleet is authorized to own, construct, and lease buildings, wharves, docks, steamships, and other vessels of all kinds, piers, shipyards, dry docks, landing places, mechanical appliances for the loading and unloading of freight, factories, coal mines, naphtha works, and to own or lease any other necessary movable and immovable property.

§ 11. The liability of the volunteer fleet for loss or damage of freight, or for violation of the terms of agreements as to freight delivery, shall be determined in accordance with existing law and in accordance with the agreements made between the volunteer fleet and the shippers. These terms shall be indicated on the bills of lading and freight receipts. The regulations relating to the general conditions of such liability, and to the methods and terms of carrying passengers and baggage, as well as the regulations on the receipt and storage, transfer and delivery of freight, shall be fixed by the management and exhibited in the head office, branch offices, agencies,

landing places, and vessels of the volunteer fleet. The minister of commerce and manufactures is authorized to annul any of the aforesaid regulations which shall be found contrary to law and inconsistent with the interests of the State or of the community, or with the needs of industry and commerce.

NOTE.—The regulations issued according to this (11th) section, upon their presentation to the minister of commerce and manufactures, shall at the same time be transmitted to the ministers of the navy and of war, who, if they find it necessary to revoke any of the provisions therein, shall so inform the minister of commerce and manufactures.

§ 12. The volunteer fleet enjoys in regard to the cargo which it has undertaken to transport the rights indicated in section 819¹³ of the code of commerce (*Svod Zakonov*, Vol. II, Part II, supplements of 1910), the right to sell the whole cargo or a part of it, in cases provided by section 819¹⁴ of the same code, as well as the right to sell damaged or undamaged freight or part of it for the settlement of accounts with the shipper for damages.

§ 13. The sale of the cargo shall be effected according to the regulations provided by sections 819¹⁴–819¹⁶ of the code of commerce (*Svod Zakonov*, Vol. XII, Part II, supplements of 1910).

§ 14. In foreign ports, before executing the sale of the cargo, the volunteer fleet shall notify the Russian consul, and in case of need shall accept his instructions and cooperation.

§ 15. The volunteer fleet is authorized to undertake any kind of commission business as regards purchase and sale of goods to be received for transportation by the fleet, as well as the clearance of such goods from customs duties. The issuance of regulations governing the sale of commission goods according to the existing enactments on commercial intermediaries (*Svod Zakonov*, Vol. XI, Part II, commercial code, sections 54¹–54²⁵, supplements of 1910), and the approval of commission rates to be charged for all of the above-named operations shall be within the discretion of the management of the fleet.

§ 16. The volunteer fleet may issue short-time loans upon freight which is not easily damaged and which is insured and carried by the volunteer fleet during periods while such freight is either in transit or in the warehouses of the volunteer fleet to an amount not exceeding 60 per cent of the value of the goods. Such loans may be issued by the volunteer fleet upon the security of goods of both Russian and foreign origin.

The terms of the issuance and of the repayment of loans shall be determined by the volunteer fleet by agreement with the borrowers, provided that such terms shall not run contrary to law or to the regulations of the present charter.

The volunteer fleet, as regards such loans, shall enjoy the rights laid down by sections 819²⁴–819²⁶ of the Commercial Code (*Svod Zakonov*, Vol. XI, Part II, Supplements of 1910), subject to the provisions of §§ 13 and 14 of the present charter.

§ 17. The details of the issuance and repayment of loans (§16) shall be determined by special rules to be approved by the minister of commerce and manufactures, with the concurrence of the minister of finance and the State auditor.

§ 18. The volunteer fleet is permitted to insure the freight to be transported by its vessels in insurance companies in the name and to the account of the shippers and according to their instructions.

IV. Audit of the operations of the volunteer fleet.

§ 19. The money operations and other business of the volunteer fleet, as well as its accounts, are subject to auditing by the State auditor according to special rules laid down by the state auditor, with the concurrence of the minister of commerce and manufactures. The amount necessary for the organization of such auditing shall be determined by the state auditor, with the concurrence of the minister of commerce and manufactures, and shall be placed at the disposal of the state auditor from the funds of the volunteer fleet.

§ 20. All remarks of the state auditor shall be communicated to the management of the volunteer fleet. If the explanations of this management shall be found unsatisfactory by the state auditor, then the controversy thus arisen shall be settled by the minister of commerce and manufactures, with the concurrence of the state auditor.

§ 21. The state auditor is authorized to examine the money accounts and other property for the volunteer fleet.

V. Accounts and Distribution of Profits.

§ 22. The plan of operations and budget for each year shall be made up by the management of the volunteer fleet, and shall be submitted for the approval of the council of the fleet not later than November 1st of the preceding year. The said plan and budget shall be approved by the minister of commerce and manufactures.

§ 23. The fiscal year of the volunteer fleet shall extend from January 1st to December 31st, inclusive. Detailed accounts of the operations of the fleet for each year and the annual report of the management shall be submitted on January 1st of the following year to the State auditor, and then it shall be submitted, together with the remarks of the latter, for the approval of the council of the volunteer fleet. The accounts and the report shall then be approved by the minister of commerce and manufactures, and, as approved and submitted by the minister of commerce and manufactures to the cabinet of ministers, they shall be published in parts for general information.

§ 24. From the profits of the volunteer fleet the following shall be provided for: The sinking fund of the property, the insurance fund (for the steamships of the fleet), and the reserve fund. For the sinking fund and for the insurance fund there shall be set aside annually, for the former, 5 per cent of the initial cost of iron ships, 3 per cent of the initial cost of stone and brick buildings, and 10 per cent of the initial cost of wooden ships and buildings, also of machinery and all other movable property; for the latter, 2 per cent from the balance value of the ships. To the reserve fund shall be transferred the amount of the annual profits remaining after the deductions for the sinking fund, for the insurance fund, and also for the bonuses to the employees of the volunteer fleet (§ 26).

NOTE.—The profits of the volunteer fleet shall be the gross earnings after deducting all operating expenses and losses.

§ 25. The deductions provided for in the previous (24th) section for the benefit of the sinking fund of the vessels (iron and wooden)

shall be discontinued for vessels whose balance value shall equal 5 per cent of their initial cost.

The deductions for the insurance fund (§ 24) shall be discontinued when its total amount shall reach one-third of the initial value of all vessels of the fleet. In case of using any part of this fund for the purchase of a new vessel to replace one which has been lost, or for the settling of balances for averages (§ 28), the insurance fund shall be again increased by apportionments from profits up to the amount indicated above.

§ 26. From the profits of the volunteer fleet remaining after the deductions made according to § 24 there may be paid out, after the approval of the accounts by the minister of commerce and manufactures, an additional remuneration to the chairman and members of the board of directors, the managing director, and other employees of the fleet to an amount not exceeding 50 per cent of the salary of each.

§ 27. The additional remuneration (§ 26) to the chairman and members of the board of directors, as well as to the managing director, shall be fixed by the minister of commerce and manufacturers, and to the rest of the employees by the management within the limits of the amount apportioned for this purpose by the minister of commerce and manufactures.

§ 28. The insurance fund of the volunteer fleet shall be used for the purchase and building new ships to replace those which have been lost, and also for covering the expenses for averages.

§ 29. The reserve fund of the volunteer fleet shall be used—

(1) For the purchase and for the building of new vessels to replace those worn out;

(2) Substantial repairs of vessels, machinery, and boilers, and for replacing old boilers by new ones;

(3) For improvements of the water-front structures;

(4) For the purchase of real estate and for the construction of necessary buildings;

(5) For the issuance of loans on goods as provided by §§ 16 and 17 of the present charter; and

(6) For the expansion of business.

§ 30. Questions as to the assignment of the expenditures during the year to the sinking fund, the insurance fund, and to the reserve fund are to be settled by the minister of commerce and manufactures, with the concurrence of the minister of finance and the State auditor.

§ 31. The free assets of the volunteer fleet shall be invested in Government securities, or in securities guaranteed by the Government, and shall be placed in the State bank for safe-keeping. The amounts necessary for the operations of the fleet may be kept on current accounts in the State bank, and also in private banks according to the instructions of the minister of commerce and manufacture.

VI. The management of the volunteer fleet.

§ 32. The management of the volunteer fleet shall be entrusted to a council, a board of directors, and a managing director according to provisions laid down by the present charter.

1. *The council of the volunteer fleet.*

§ 33. The council of the volunteer fleet shall consist of a chairman, appointed by the minister of commerce and manufactures, and thirteen members, of whom five shall be appointed, one each by the heads of the following departments, namely, commerce and manufactures, war, navy, finance, and the State auditor's office, and eight shall be elected for three fiscal years (§ 23), one by each of the following: The Imperial Society for the Aid of the Russian Merchant Marine, the Council of the Conventions of Representatives of Industry and Trade,¹ the Council of the Conventions of Representatives of the Stock Exchange and Agriculture, and the boards of the stock exchanges of Moscow, St. Petersburg (Petrograd), Odessa, Libau, and Vladivostok. The chairman and members of the board of directors, and the managing director shall be ex officio members of the council and they shall have the right to speak.

NOTE 1.—In case of sickness or temporary absence of the chairman of the council, his duties shall be performed by the member of the council designated by the minister of commerce and manufactures.

NOTE 2.—The following persons cannot be elected members of the council: Aliens, ship owners and persons in the management of or employed by, or serving as agents of, other navigation enterprises, and also Jews.

§ 34. Of the eight elected members of the council there shall retire according to seniority: During each of the first two years of every triennium three members, and during the last year of the triennium, two members. In case of equal seniority, the order of retirement shall be decided by lot. The retiring members of the council shall be eligible for reelection.

§ 35. For the decisions of the council to be valid the presence of not less than seven members shall be required. Business shall be transacted by majority vote, and in case of a tie the chairman shall have a casting vote. A member of council dissenting from its decision, may demand that his dissenting opinion be recorded.

§ 36. The council shall convene as occasion may require or whenever the minister of commerce and manufactures or the chairman of the council may deem it necessary.

§ 37. The council shall pass upon the following matters:

- (1) Plans of action, proposed budgets, reports of the management and accounts;
- (2) Proposals of the management relating to the opening of new lines and the closing of those in operation; and
- (3) Assignment of the expenses of the enterprise to the reserve fund (§ 30).

All matters requiring the consideration of the council shall be submitted, with its decisions thereon, for the approval of the minister of commerce and manufactures. In case the said minister shall find that any matters indicated under (2) and (3) of this article (§ 37) are of special urgency and secrecy, such matters may also be decided by him without the opinion of the council, either directly or with the concurrence of the ministers of war and navy, if connected with questions of national defense.

NOTE.—The minister of commerce and manufactures may also submit to the consideration of the council other matters connected with the management of the volunteer fleet upon which the minister shall deem it advisable to have the opinion of the council.

¹ This council roughly corresponds to the executive committee of the National Association of Manufacturers of the United States. (Tr.)

2. Board of directors of the volunteer fleet.

§ 38. The board of directors of the volunteer fleet shall consist of a chairman and four members, including one member from the navy department, together with representatives of the war department and the State auditor's office. The two last named shall have a voice only and no vote. The managing director shall take part in the meetings of the board of directors with the right to vote. The board of directors shall have its domicile in St. Petersburg (Petrograd).

§ 39. The board of directors of the volunteer fleet shall have its own seal with the state coat of arms, according to a design to be approved by the minister of commerce and manufactures.

§ 40. The chairman of the board of directors shall be appointed, with the approval of the cabinet of the ministers, by the minister of commerce and manufactures, from persons who are not in the classified state service with a fixed salary. Three members of the board of directors shall be appointed by the minister of commerce and manufactures. The member of the board of directors from the navy department shall be appointed by the minister of the navy from among the members of that department. Similarly, the representatives of the war department and the State auditor's office shall be appointed by the minister of war and the state auditor from among the members of their respective departments.

§ 41. In case of sickness or temporary absence of the chairman of the board of directors, his duties shall be performed at the designation of the minister of commerce and manufactures by one of the members of the board of directors. In case of sickness or absence of members of the board of directors or of the representatives of the State auditor's office and the war department, substitutes shall be appointed in the order indicated in the previous (40th) section, who shall have the same rights as the persons whom they are replacing during the whole period in which they act as substitutes.

§ 42. In the transaction of business relating to departments other than those mentioned in § 36, the representatives of the respective ministries or departments shall be invited to take part in the meetings of the board of directors.

§ 43. For decisions of the board of directors to be valid the presence of the chairman or his substitute and of the two members of the board shall be required. The proceedings of the board of directors shall be recorded and signed by all persons present at the meeting.

§ 44. The decisions of the board of directors shall be taken by majority vote, and in case of a tie the chairman or his substitute shall have a casting vote. A member of the board of directors dissenting from the decision of the board may demand that his dissenting opinion be entered upon the record. In such a case he shall be freed from responsibility for that decision, but such a dissenting opinion shall not stay execution of the decision.

§ 45. The board of directors shall have charge of all business, property, and funds of the volunteer fleet, and especially of—

(1) Examination and approval of proposed agreements with contractors to be entered into by the board, and also formulation of the general terms under which such agreements shall be made. Author-

ity to make these and other agreements may be delegated to the employees of the volunteer fleet by the board of directors;

(2) Supervision through its members over the local institutions of the volunteer fleet, and auditing of the property and of the business of the fleet in places where such business is carried on;

(3) Formulation of the regulations mentioned in § 11 of the present charter;

(4) Fixing methods of sale of goods on commission, approval of the rates of remuneration for the operations of the fleet, and making rules as to the issuance and repayment of loans upon goods (§§ 15-17).

(5) Issuance and acceptance for payment of bills of exchange and of all other notes within the limits approved by the minister of commerce and manufactures.

(6) Discount of bills of exchange received by the volunteer fleet.

(7) Making agreements in the name of the volunteer fleet.

(8) Issuance of powers of attorney:

(a) To the employees of the volunteer fleet;

(b) To the representatives of the board of directors entrusted with making agreements and signing articles.

(9) Making contracts for the purchase and sale of real estate, and also of ships.

(10) Purchase of securities for the volunteer fleet, as well as the sale and mortgaging of those securities.

(11) Making and amending freight and passenger rates (tariffs).

(12) Capital repairs of vessels.

(13) Determination of allowances and expenses on board the vessels of the fleet.

(14) Making agreements by the Volunteer Fleet for the establishment of free connections with other navigation enterprises and with railroads.

(15) Preparation of plans of action, projects of the budget, reports and balances of the volunteer fleet.

(16) Purchase and sale, leasing from others and leasing to others of ships, and of real estate.

(17) Establishing and closing offices and agencies of the fleet.

(18) Opening new lines and abolishing existing ones.

(19) Alteration and redistribution of voyages on existing lines.

(20) Establishing and changing the methods of accounting.

(21) Hiring the necessary staff of employees for the volunteer fleet and fixing their duties and salaries.

(22) Apportionment of an additional remuneration and granting aid to the employees of the volunteer fleet.

(23) Conduct of litigation in the courts.

(24) Conduct of the aid and savings fund of the volunteer fleet;

(25) Initiating proposals relating to the apportionment of the expense of the enterprise to the reserve fund; and

(26) Working out the instructions for the managing director.

NOTE 1.—The decisions of the board of directors in matters enumerated in 16, 17, 19, 20, and 26 of this (45th) section are subject to the approval of the minister of commerce and manufactures, who shall obtain previously the concurrence of the minister of the navy upon all matters relating to the construction or sale of steamships.

NOTE 2.—The decisions of the board of directors in matters mentioned under 15, 18, and 25 of this (45th) section shall be submitted by the board of directors for the approval of the council of the volunteer fleet (§ 37).

§ 46. The details of the procedure of the board of directors and the limits of its rights and duties shall be determined by an instruction subject to the approval of the minister of commerce and manufactures.

§ 47. The drawing of funds from the State bank shall be done upon orders issued by the board of directors, to be signed by the chairman and one of the members empowered by the board to do so. The drawing of money from current accounts of the board shall be done by checks signed by the chairman and the treasurer.

§ 48. Powers of agency and powers of attorney for litigation in courts, as well as for signing agreements, terms, and articles in the name of the board, shall be signed by the chairman and one of the members empowered by the board to do so. On receipts for money remitted to the board by mail and for packages and documents the signature of the chairman or the member empowered by the board, or the signature of the managing director, with the seal of the board, shall suffice.

The business correspondence of the volunteer fleet shall be carried on in the name of the board.

§ 49. The chairman and members of the board shall receive for their services special remuneration from the funds of the volunteer fleet, the former 12,000 rubles per annum, the latter 6,000 rubles per annum each, except those persons who shall be in the classified State service at fixed salaries. These persons shall receive annually one-half of the above remuneration.

§ 50. There shall be a bookkeeping department and an office connected with the board for the conduct of its business, keeping money and other accounts, and auditing these accounts in the offices and agencies and on board the vessels of the fleet.

[3. *The managing director.*

§ 51. The managing director shall have charge of the immediate supervision of the business of the volunteer fleet and of the execution of the decisions of the board; also of the supervision of the personnel on board the ships and of the establishments of the volunteer fleet on shore. The limitations of the rights and duties of the managing director shall be fixed by a special instruction to be prepared by the board of directors (§ 45 [26]).

§ 52. The managing director shall be nominated by the board of directors and appointed by the minister of commerce and manufactures and shall receive a salary from the funds of the volunteer fleet, to be determined by the minister of commerce and manufactures, with the concurrence of the minister of finance and the State auditor.

VII. *Personnel.*

§ 53. The chairman and members of the board of directors, as well as all employees on shore and the crews, shall be Russian subjects. Exceptions to this rule shall be allowed in the case of agents and employees on shore in foreign countries only, by special permission of the minister of commerce and manufactures to be obtained in each case separately. Jews shall not be admitted to the service of the volunteer fleet.

§ 54. Office managers, agents, captains of vessels of the volunteer fleet, the chief bookkeeper, and the secretary of the board of directors shall be confirmed in their offices or, on petition of the board of directors, discharged by the minister of commerce and manufactures. Other positions shall be filled by the managing director.

§ 55. The reserves of the army and navy shall be given preference in appointments to the service in the volunteer fleet. The captains, officers, mechanics, surgeons, engineers, sailors, and firemen of the vessels of the volunteer fleet shall be chosen chiefly from among members of the navy department who are either in the reserves or on the retired list.

NOTE.—The offices mentioned in this (55th) section may also be filled by members of the navy who are in active service. The payments to the invalidity fund of the navy department due from the officers, engineer mechanics, and surgeons of the volunteer fleet shall be made from the funds of the fleet and deducted from their salaries.

(Signed) THE PRESIDENT OF THE
IMPERIAL COUNCIL, M. AKIMOV.

The steamers of the volunteer fleet January, 1914.

No.	Name.	When built.	Tonnage.		Horse-power.
			Gross.	Net.	
1	Astrakhan	1913	2,695	1,493	1,450
2	Vladimir	1896	5,620	3,197	3,000
3	Voronezh	1896	5,616	3,278	3,000
4	Diomid	1900	105		300
5	Dobrovoletz	1913	122	1	400
6	Yekaterinoslav	1898	6,581	4,174	2,500
7	Kishinev	1910	2,372	1,453	1,200
8	Kiev	1896	5,566	3,127	3,000
9	Kolyma	1906	1,450	890	900
10	Kursk	1911	6,254	4,530	2,800
11	Mogilev	1911	6,377	4,740	3,000
12	Nizhni-Novgorod	1891	3,367	1,892	1,300
13	Novgorod	1913	5,286	3,368	2,560
14	Orel	1909	3,462	1,922	4,500
15	Pensa	1909	2,679	1,333	4,000
16	Perm	1903	4,243	2,756	2,000
17	Peterburg	1894	5,432	1,796	11,200
18	Poltava	1909	3,476	1,922	4,500
19	Riazan	1909	3,521	1,962	4,500
20	Saratov	1892	5,426	2,067	10,250
21	Simbirsk	1909	2,712	1,355	4,000
22	Simferopol	1912	2,695	1,493	1,450
23	Sishan	1883	1,362	846	900
24	Stavropol	1907	1,209	685	750
25	Tambov	1893	4,441	2,517	2,500
26	Tver	1912	2,693	1,491	1,450
27	Tobolsk	1912	2,695	1,493	1,450
28	Tomsk	1912	2,695	1,493	1,450
29	Tula	1910	2,351	1,393	1,200
30	Kherson	1896	6,707	2,860	13,000
31	Erivan	1912	2,695	1,493	1,450
32	Yaroslavl	1893	4,494	2,619	2,500
Total			116,422	65,651	98,460

NOTE.—Vessels Nos. 2, 3, 5, 8, 10, 11, 12, 13, 16, 17, 20, 25, 29, 30, and 32 are registered at the port of Odessa; Nos. 4, 14, 15, 18, 19, 21, 23 at the port of Vladivostok; Nos. 6 and 7 at Libau; Nos. 22, 24, and 26 at Revel; and Nos. 1, 27, 28, and 29 have temporary certificates.

Source: Russia. *Ministerstvo Torgovli i Promyshlennosti. Otdel Torgovogo Moreplavaniia. Marine marchande russe. Répertoire des bâtiments au 1^{er} janvier 1914.* St. Petersburg (Petrograd), 1914. p. 241-242. HE565.R9A44.

THE RUSSIAN VOLUNTEER FLEET.

[Extract from Fairplay, weekly shipping journal (London), v. 62, p. 447, Feb. 26, 1914.]

Since the year 1909, when the management of the Russian volunteer fleet was entrusted to the ministry of marine, and when the business of the concern was placed on something like a commercial basis, the results of its operations have improved considerably. Ever since 1885 that company has been the recipient of a yearly subsidy, amounting to 600,000 rubles, for the maintenance of a steamship service between Odessa or St. Petersburg and Vladivostok. Notwithstanding the State assistance, however, the company up to 1909 worked for the most part at a loss. Then, with the change in its management, came a change in its prospects. In 1909, for instance, the net profit realised, not including the subsidy, amounted to 512,132 roubles; in 1910 there was a surplus of 561,563 rubles, in 1911 of 178,807 roubles, and for 1912 the net profit was 289,290 rubles. In view of this altered state of things, it is not to be wondered at that the Government considers that the time has arrived for revising the subvention allowance. A bill, in fact, has been laid before the Duma providing that for the next 10 years—*i. e.*, from 1914 to 1923—the Volunteer Fleet Company shall receive a yearly subsidy of 178,383 rubles for the working of the above-mentioned main line instead of the yearly sum of 600,000 rubles, as hitherto. The Government takes it for granted that henceforward there will be an annual increase of about 110,700 rubles in the earnings and an average increase of about 36,000 rubles in the expenses. The new bill stipulates that there shall be, as formerly, eighteen voyages in both directions every year. The ports to be called at on the outward voyages are to be Nicolaieff, Constantinople, Beyrout, Port Said, Djedda, Hodeida, Djibouti, Colombo, Singapore, Hongkong, and Nagasaki, and on the homeward trips, Nagasaki, Hankow, Shanghai, Hongkong, Singapore, Penang, Colombo, Djibouti, Hodeida, Djedda, Port Said, Beyrout, Constantinople, Feodosia, and Batoum. Nine of the company's steamers must, under the new bill, be put into the Odessa-Vladivostock line; four of them must, however, on account of their age, be replaced by new ones, and these new boats must have a speed of 12 knots, must be fitted for both passenger and cargo traffic, and be of about 8,000 tons carrying capacity. In order to furnish funds for the payment of this new tonnage—which, as far as possible, must be built in Russian yards—the company is empowered to raise a loan of altogether 3,920,000 rubles—namely, of 600,000 rubles in each of the years 1915 and 1916, of 1,500,000 rubles in 1917, and of 1,220,000 rubles in 1918. The new steamers have to be installed in the service as early as 1915, and seeing that the Russian yards will be fully employed for a long time to come in executing orders received for the construction of war vessels, it is more than probable that some of the new boats for the volunteer fleet will have to be built abroad.

APPENDIX.

LIST OF REFERENCES ON THE DEVELOPMENT OF THE RUSSIAN MERCANTILE MARINE, INCLUDING SUBSIDIES.

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